

# REPORT OF THE COMMITTEE ON LEGISLATIVE MATTERS

## Voting Members

Ernest Y. Martin, Chair; Kymberly Marcos Pine, Vice Chair;  
Ikaika Anderson, Brandon J.C. Elefante, Carol Fukunaga,  
Ann H. Kobayashi, Joey Manahan, Ron Menor, Trevor Ozawa

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Committee Meeting Held  
October 30, 2018

Honorable Ernest Martin  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Legislative Matters, which considered Bill 42 (2017), CD1 entitled:

“A BILL FOR AN ORDINANCE RELATING TO FUNDING FOR TRANSIT,”

which passed Second Reading at the October 17, 2018 Council meeting, reports as follows:

The purpose of Bill 42 (2017), CD1 is to allow for greater flexibility in the sources of monies to be used for the capital cost of the Honolulu Rail Transit Project.

At its meeting on October 30, 2018, your Committee considered Bill 42 (2017), Resolution 18-127, Resolution 18-132, Resolution 18-237, and Resolution 18-239 together. Testimony in support of the measures was received from the Hawaii Laborers Union Local 368, Hawaii LECET, and the Hawaii Construction Alliance. Nine members of the Financial Accountability for Rail Mass Transit Association, and six individuals testified in opposition to the measures. Three individuals provided comments. Written testimony in support of the measures was received from Hawaii LECET, the Hawaii Operating Engineers Industry Stabilization Fund, the Hawaii Laborers Union Local 368, the Hawaii Lodging & Tourism Association, and one individual. Written testimony in opposition to the measures was received from six individuals.

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## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON

OCT 30 2018

COMMITTEE REPORT NO.

368



# REPORT OF THE COMMITTEE ON LEGISLATIVE MATTERS

## Voting Members

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Your Committee considered and approved a proposed hand-carried CD2 version that makes the following amendments:

A. Amends Section 3 of the bill to: 1) remove references to "General Fund"; and 2) reference the Revised Recovery Plan dated October 24, 2018 rather than the Recovery Plan dated September 15, 2017.

B. Adds a new Section 4 which amends Section 15 of ordinance 15-46 to specify that:

The memorandum of understanding shall not apply to the issuance and sale of HHCTCP commercial Paper or other forms of general obligation indebtedness for which the City and County is required to pay principal, interest, and any other costs relating to the issuance of HHCTCP Commercial Paper and other forms of general obligation indebtedness.

C. Makes miscellaneous technical and nonsubstantive amendments.

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON **OCT 30 2018**

COMMITTEE REPORT NO. **368**



# REPORT OF THE COMMITTEE ON LEGISLATIVE MATTERS

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Your Committee on Legislative Matters is in accord with the intent and purpose of Bill 42 (2017), CD1, as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 42 (2017), CD2. (Ayes: Martin, Anderson, Elefante, Fukunaga, Manahan, Menor, Pine – 7; Noes: Kobayashi, Ozawa – 2.)

Respectfully submitted,



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Committee Chair

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON **OCT 30 2018**

COMMITTEE REPORT NO. **368**



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL 42 (2017), CD2

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**A BILL FOR AN ORDINANCE**

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RELATING TO FUNDING FOR TRANSIT.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to allow for greater flexibility in the sources of monies to be used for the capital cost of the Honolulu Rail Transit Project.

SECTION 2. Ordinance 07-001 is amended by amending Section 3 to read as follows:

"SECTION 3. The city administration is authorized to proceed with preparation of an environmental impact statement for the locally preferred alternative (LPA), and with planning and preliminary engineering for that portion of the LPA (including any portion of any section of the LPA listed in section 2 above) that may be constructed within financial constraints (capital cost and any interest to finance that capital cost shall be paid entirely from general excise and use tax surcharge revenues, interest earned on the revenues, and any federal, state, city, or private revenues); provided that this portion shall constitute a minimum operable segment (MOS) for purposes of Federal New Starts funding eligibility; and provided further that the proposed MOS shall be subject to Council approval by resolution."

SECTION 3. No more than an aggregate total of \$214,000,000 of city revenues and no more than \$26,000,000 of city revenues in any fiscal year from and after fiscal year 2020, shall be appropriated and expended for the costs of the Honolulu Rail Transit Project identified as "City Subsidy" in Figure 6.2 in the Revised Recovery Plan dated October 24, 2018, which is attached to Resolution 18-239, as may be amended by the Council prior to adoption; provided, however, that the foregoing shall not apply to the payment of any interest on debt service and any other costs relating to the issuance or refunding of commercial paper and other forms of general obligation indebtedness arising from the financing of principal required to be paid from city revenues and not payable from other sources of revenue. City revenues shall include, but not be limited to, revenues from real property taxes, public service company taxes, and the City's share of the transient accommodations tax. \$44,000,000 of city general obligation bonds may be issued to pay for such expenditures in fiscal year 2019.



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL 42 (2017), CD2

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**A BILL FOR AN ORDINANCE**

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SECTION 4. Ordinance 01-28, as amended by Ordinances 04-36, 10-15, and 15-46, is amended by amending Section 15 to read as follows:

"SECTION 15. Memorandum of Understanding Relating to HART. The City and County and HART have entered into a memorandum of understanding that sets forth the obligations of HART to the City and County concerning the HHCTCP Commercial Paper and other forms of general obligation indebtedness. The memorandum of understanding requires that the City and County be reimbursed by HART for any payments of principal and interest and any other costs incurred by the City and County relating to the issuance of HHCTCP Commercial Paper and other forms of general obligation indebtedness. The memorandum of understanding entered into by the City and County and HART shall be subject to approval by Council by resolution. The memorandum of understanding shall not apply to the issuance and sale of HHCTCP Commercial Paper or other forms of general obligation indebtedness for which the City and County is required to pay principal, interest, and any other costs relating to the issuance of HHCTCP Commercial Paper and other forms of general obligation indebtedness."

SECTION 5. New ordinance material is underscored. In these sections, the title of Section 15 is underscored because the titles were underscored in Ordinance 01-28.



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL 42 (2017), CD2

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**A BILL FOR AN ORDINANCE**

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SECTION 6. This ordinance takes effect upon its approval.

INTRODUCED BY:

Ron Menor (br)

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DATE OF INTRODUCTION:

April 11, 2017  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

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Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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KIRK CALDWELL, Mayor  
City and County of Honolulu